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OEL-1263/64

21 DEC 1964

MEMORANDUM FOR: Director of Logistics

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SUBJECT : Negotiation of Contract with [REDACTED]

REFERENCE : DD/S&T - 3444/64

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1. This memorandum requests negotiation of a contract with [REDACTED] for the developmental effort prescribed in the contractor's Technical Proposal 82-LY, attached. Required delivery dates dictate that work on the contract commence at the earliest possible date. Accordingly, it is requested that the highest priority be assigned this negotiation.

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2. This project, identified internally as [REDACTED] is designed to meet a high National Intelligence objective aimed at assessing [REDACTED]

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3. [REDACTED] is to become operational on or about 1 September 1965. Phasing and programming for the implementation of [REDACTED] makes consignment of the intercept system to the Agency at the earliest possible date imperative. This milestone must be met by 1 June 1965 if the project is to be operational on the prescribed 1 September 1964 activation date because the system has to undergo extensive environmental testing and evaluation prior to deployment to the field.

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25X1A5a1 4. Proposals were solicited from three firms in connection with [REDACTED]. The first proposal was solicited from [REDACTED] and was bid at a price of [REDACTED]. The second solicitation was received from [REDACTED] at a bid price of [REDACTED]. The [REDACTED] proposal was estimated at [REDACTED] and was evaluated as the most favored submission by OEL engineering personnel. Reasons underlying OEL's selection of the [REDACTED] proposal are as follows:

25X1A5a1 A. The reliability of the system proposed by [REDACTED] far surpasses that of any other bidder.

B. The extensive test and evaluation program to be undertaken by [REDACTED] is designed to ensure a high degree of systems reliability.

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C. [REDACTED] past experience in the development of similar or comparable systems for the Department of Navy and other instrumentalities of the U.S. Government.

D. Technical concepts employed in the system, i. e. utilization of [REDACTED]

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The latter point is developed in greater detail in the succeeding paragraph.

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25X1D0d 5. [REDACTED] proposes to use [REDACTED] to the maximum extent possible in systems design. This approach is preferred technically since the reliability of these components has already been established in other programs with demonstrable results and predictable failure rates. Additionally, the selection of components already engineered for use in the [REDACTED] will assure the attainment of optimum performance levels. For the reasons enumerated above, OEL selected [REDACTED] as the most preferred bidder.

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6. The proposal has been reviewed by OEL's engineering personnel and is considered technically acceptable. OEL desires, however, the inclusion of several protective features in the negotiated contract in order to protect our economic interest. These points are enumerated below.

A. A detailed design plan is to be prepared by the contractor no later than three weeks subsequent to the effective date of the contract.

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B. Specific design characteristics of the system are to be mutually agreed upon by the contractor and the government Project Officer prior to the actual manufacture of the intercept equipment.

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C. [REDACTED] approved components are to be used to the extent possible through the system.

D. The contractor is to furnish copies of all environmental, electrical, etc. tests to the Project Officer together with all results appertaining thereto.

25X1A9a 7. The contractor's technical proposal defines the scope of the developmental program and establishes parameters of the intercept and subsidiary systems to be employed in this operation. Further technical detail required in connection with this proposal may be obtained from [REDACTED] extension 4518, OEL's technical representative responsible for monitoring execution of the contract.

25X1A1a 8. Requisition ELR-233-65, attached, substantiates the 25X1A2d2 [REDACTED] this Office has encumbered for purposes of executing the contract. Due to the sensitivity of project [REDACTED] it is requested that Agency association with the contract be classified SECRET and that all reports bear security classifications prescribed by the Project Officer. Hardware will be UNCLASSIFIED.

9. Reference memorandum to the DDCI granted authorization to proceed with this program. A copy of this authorization is attached for permanent retention by your Office. Requisitions for Government Furnished Equipment to be supplied the contractor will be processed as a separate action.

78/
George C. Miller

GEORGE C. MILLER
Assistant Director for ELINT
Directorate of
Science and Technology

Attachments:

- A. Contractor's Proposal
- B. Requisition
- C. DD/S&T-3444/64

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